



CALPEEK

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CA INITIATIVE UPDATE: REPEALING THE CAR TAX.

Editor's note: In 1998, anti-tax, conservative Assemblyman Tom McClintock (R-Northridge) tried without success to persuade his GOP colleagues to use the State's large budget surplus to totally eliminate Calif.'s vehicle license fee – AKA the *car tax*. McClintock and some of his GOP allies view the VLF as a hot wedge issue – “the biggest taxpayer battle since Prop. 13.” On Mar. 25th, the AG's office is supposed to release a constitutional amendment by McClintock. Here's our update & analysis...

...The proposed initiative by McClintock and GOP State Sen. Ray Haynes of Riverside would completely eliminate the VLF. McClintock & Haynes call their effort, “Keeping the Promise.” McClintock claims his plan will save the average middle class family in Calif. \$275 annually...

...For those who don't remember, former Gov. Pete Wilson signed a bill last year giving Calif. car owners a 25% permanent reduction in the car tax, with the potential of taking the VLF down even further. The car tax revenue is split between the State and local government, thus if the VLF is totally eliminated, local governments could get crunched, unless there's a back-fill provided by the State. McClintock says his plan will protect local government...

...The big sticking point in last year's VLF debate was Orange Co., who issued hundreds of millions of dollars in bankruptcy recovery bonds, secured by the county's share of the VLF revenue. McClintock's sources say his initiative will protect the O.C. bonds by shifting the revenue stream from the VLF to the general fund...

...But this may not satisfy the O.C. bond holders, the bond trustees or the business community and banks.

Sources say there was a promise made to Gov. Wilson and to legislative leaders that if McClintock tried to eliminate the VLF via an initiative, that there would be legal action to block it in Federal court. FYI: the U.S. Supreme Court has ruled that repealing, postponing or diminishing or otherwise impairing the tax levies which are the means of repaying such bonds is prohibited...

...As for using general fund revenues, some interests groups will undoubtedly take a hit if McClintock's initiative is approved. But **not** K-12 schools protected by Prop. 98 and **not** health & welfare programs protected by federal mandates. Who takes the hit? State public safety programs & personnel (read that as the powerful CCPOA, State Firefighters & CHP) and probably UC & CSU students. FYI: For years, McClintock and the CCPOA (prison guards) have been at each other's throats...

...A final note: McClintock supporters say they need to raise \$5-6 million after the initiative qualifies, because they realize there will be a big campaign in March of 2000 mounted by CCPOA, the CHP and State Firefighters to defeat the initiative. Stay tuned...

CAMPAIGN '99: CLINT REILLY MAKES IT OFFICIAL. HE WILL CHALLENGE S.F. MAYOR WILLIE BROWN.

Editor's note: Former Demo campaign consultant turned real estate investor Clinton Reilly officially announced Feb. 18th that he would challenge incumbent S.F. Mayor Willie Brown this coming November. Here's our update & analysis...

...Reilly, who retired from the campaign management business in '95, started his campaign off by bashing Brown: “To be a great mayor, you need to stand up to the special interest groups that are basically carving up the city for their gain, and I think Willie Brown is giv-

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ing away the city piece by piece to his cronies and special interest groups.” This quote from an excellent story by the *S.F. Chron*’s Susan Sward sets the tone for what is likely to be a very nasty campaign...

...Why? Several sources say Reilly just plain hates Willie Brown – because Brown never recognized Reilly as a key political player, either Statewide or in S.F. Other sources share this view. Should Reilly be taken seriously? Absolutely – at least for the time being. If someone else the news media considers serious gets into the race, Reilly could have trouble. But with a warchest of \$2 million, Reilly can’t be dismissed. And he’s getting some news media attention. “The press wants a race. They don’t want a walkover,” says S.F.-based pollster Gene Bregman...

...Reilly has already released his 48-page white paper on how to fix S.F.’s troubled muni transportation system. If this 48-page white paper has a familiar ring, remember Dick Riordan’s booklet called “*Turning L.A. Around*.” Reilly was Riordan’s campaign consultant in Riordan’s first campaign. But as another S.F. campaign consultant noted, “Reilly is no Riordan.”...

...That’s a reference to L.A. Mayor Dick Riordan’s easy going manner, great sense of humor and very pleasant and sunny personality. Reilly doesn’t match Riordan in these character traits. In fact, one insider told **Calpeek** that with Reilly’s hot temper, “It would not take much to set him off.”...

...Although the 52-year-old Reilly is trying to position himself as a businessman, in fact it will be difficult for him to distance himself from his once very lucrative campaign business which now gives him the opportunity to run for elective office. His big score (financially) was in 1988 when he managed a series of initiatives for the insurance industry. But in the last few years his track record wasn’t that hot. Reilly’s biggest and most infamous loss was in ’94, when he ran Kathleen Brown’s unsuccessful campaign for Governor against Pete Wilson. Some blame Reilly for that defeat, but not **Calpeek**. Brown just wasn’t ready for prime time...

...FYI: while Reilly has assembled a solid campaign staff, one source said, “If you know Clint, you know he will run his own campaign.” The other thing numerous S.F. sources told **Calpeek** is that when it comes to a

citywide race, S.F. is really a *small town*, with retail politics. No more than 200,000 out of a citywide population of 750,000 will turn out to vote. Lots of grassroots stuff and door-to-door campaigning. And here S.F. Mayor Willie Brown is a master. This is why many (but not all) think Reilly may have a tough time winning, despite his big warchest. Stay tuned...

CAMPAIGN ’99: EARLY SPRING MUNI ELECTIONS.

Editor’s note: Here is Part VI in our continuing series of reports & updates about early Spring municipal elections...

◆ ***Pasadena Mayor’s Race*** – This battle to become Pasadena’s first citywide elected mayor continues to be a 3-way battle between council-appointed Mayor Chris Holden, Councilwoman Ann-Marie Villicana and former Mayor Bill Bogaard. And not surprisingly, the key issue so far is **crime**. Holden led a drive Feb. 22nd to outlaw the sale of cheap handguns (Saturday Night Specials) in Pasadena. If approved, Pasadena would join West Hollywood and other cities who have passed similar laws. Although all councilmembers agreed to begin drafting a new law, Villacana says the Holden-backed move to ban the Saturday Night Specials “is a Monday campaign ploy.” She views the SNS ban as a political stunt, noting that the election is less than two weeks away, on Mar. 9th. FYI: Villacana has distributed a 20-page booklet titled Blueprint for Pasadena 2000 – where she outlines her views on crime, the economy, education and quality of life issues (traffic, trees & trash). 20,000 of these booklets are now in voters’ hands. Holden has potholders...

◆ ***7 Cities Cancel Elections*** – In case you missed it, 7 cities in L.A. Co. have cancelled their early Spring muni elections because there were no challengers to the incumbent city councilmembers. Cities which cancelled include Beverly Hills, Hidden Hills, Rolling Hills, Lake-wood, San Gabriel, Monrovia and Industry...

● ***San Diego Mayor’s Update*** – Add the name of San Diego Councilman George Stevens to the list of candidates who want to replace Susan Golden as mayor in 2000...

◆ ***Waterfront Measure Qualifies*** – An initiative to permit the completion of Fess Parker’s Park Plaza Hotel on the Santa Barbara waterfront has qualified for

the Nov. '99 local ballot. Nearly 12,000 signatures were gathered by National Petition Mgt., with 8,081 declared valid by the county registrar...

AS UNCIVIL WAR RAGES FOR CONTROL OF PARTY, CRP HOSTS WHITE HOUSE HOPEFULS AT GOP CONVENTION.

Editor's note: While delegates to the CA Republican Party's Winter convention in Sacramento (Feb. 26-28) battle over the future direction of their party, at least 7 White House hopefuls will press the flesh, hoping to impress the CRP delegates. Here's our update, with more post CRP-election analysis next week...

...Although GOP presidential frontrunners Elizabeth Dole and TX Gov. George W. Bush will not be there, 7 other Republicans are set to attend the CRP convention. Of interest to all the GOP hopefuls is a proposed rules change offered by State Sen. Ray Haynes which would eliminate CA's *winner-take-all* (the delegates) GOP presidential primary. In its place would be a system closer to what the Demos have – a proportional allocation of delegates based upon the vote in each of CA's 52 congressional districts. Under this system, former CA Gov. Pete Wilson, who just this past week decided against running because the money was too tough to raise, might have a shot at picking up a number of delegates. The proportional system gives a break to underfunded candidates...

...In addition to this proposed rules change, there is, of course, the ongoing battle for control of the CRP. Opinions are rather mixed as to what's going to happen. One group of sources think the insurgents (who want to replace all current CRP officeholders) started *too late* and *will lose*. Another group thinks only insurgent challenger Brooks Firestone, who is battling CRP Treas. Shawn Steel for CRP vice chair, has a shot. The irony here is that Steel tried to get Tom Bordonaro to drop out of the 22nd CD race to give Firestone a clear shot at Lois Capps in that early '98 special. And everyone knows what happened...

...And a third group says all the contests are just too close to call because the insurgents have gone back to their original message: calling on all current CRP officers to step aside and let a "new management team" take control of the CRP --- same analogy as a losing sports team. Bring in new coaches. The key players to watch

in the battle: the elected officials and their hand-picked delegates. Sources say they hold all the aces...

...FYI: according to the CRP, former VP Dan Quayle, Steve Forbes, U.S. Senators John McCain(AZ) and Bob Smith(NH), former TN Gov. Lamar Alexander, radio talk show host Alan Keyes and Gary Bauer will attend the convention in Sacto. Stay tuned...

CAMPAIGN 2000: U.S. HOUSE OF REPRESENTATIVES

Editor's note: Here is Part II in our continuing series of updates about U.S. House contests in 2000...

☒ **38th CD** – This is GOP U.S. Rep. Steve Horn's Long Beach area CD. In addition to the names of LB Councilman Del Roosevelt, attorney Rick Zbur and Peter Matthews, add two more names as possibles: Long Beach Mayor Beverly O'Neill and Tal Finney, policy director & sr. asst. to Gov. Gray Davis. Of these two new ones, sources say it's doubtful but not out of the question that O'Neill would run against her longtime friend, Steve Horn – **because** she is *termed out* in 2000! Sources say she's made some phone calls. She'd be a very strong contender. FYI: Matthews, who got 45% when he ran against Horn in '98, plans to formally announce his candidacy for 2000 at a kick-off rally Mar. 7th in Long Beach...

☒ **15th CD** – Although U.S. Rep. Tom Campbell(R-San Jose) has said repeatedly that he has no plans to run for the U.S. Senate in 2000, some sources think he may be having second thoughts. He angered both Demos and GOPers in this 44.5%(D) vs. 36.0%(R) district with his impeachment vote. And it's no secret he's burned some bridges – remember, he was part of that unsuccessful plot to dump Newt Gingrich as House Speaker. But if he does seek reelection, which other sources say he will, the most prominent Demo mentioned as a possible challenger is former San Jose Mayor Susan Hammer. However, the line on Hammer is that "she doesn't want to commute." Other potential Demo candidates include Assemblymembers Mike Honda and Elaine Alquist. Demos have done some polling and at this point, sources say Campbell is vulnerable...

☒ **49th CD** – San Diego Councilwoman Chris Kehoe (D), who gave U.S. Rep. Brian Bilbray(R-San Diego) a real scare in '98, has announced that she will run for the

76th AD seat of Susan Davis(D-San Diego), who is *termed out*. Lots of Demos, include Kehoe, are urging Davis to run against Bilbray in 2000...

...**Odds & Ends**. No GOP names have surfaced as challengers to Demo incumbents in the 1st CD (Mike Thompson); the 10th CD (Ellen Tauscher); or the 24th CD (Brad Sherman). Stay tuned...

CALPEEK'S INFOBAHN: POLITICAL SHORT TAKES.

Editor's note: Here are few items, political and otherwise, worth noting...

■ **"Can I zip up now?"** – That's the question State Sen. Kevin Murray(D-Culver City) asked of an L.A. Co. park policeman who observed the lawmaker getting a BJ from a hooker in the parking lot of the John Anson Ford Theater (next to Hollywood Bowl) back on Dec. 27th. But Murray is one lucky guy because L.A. City Atty. Jim Hahn's office is not filing charges. The story was broken by *New Times L.A.* columnist Jill Stewart, one of Murray's favorite journalists! The story was faxed all over the Capitol last week --- and needless to say, Sen. Murray says he's sorry. But think of it this way, Kevin: according to Pres. Bill Clinton's definition, it wasn't sex. Read the Stewart's story at www.newtimesla.com. It's titled, "Pants Down in Broad Daylight."...

■ **Fixing the Open Primary Law** – Both SB 28 by State Sen. Steve Peace(D-El Cajon) and SB 100 by Senate PPT John Burton(D-SF) cleared their committee hearings and are now on the Senate floor awaiting a vote. The bills are designed to repair a flaw in CA's open primary law dealing with the selection of delegates to the RNC & DNC presidential nominating conventions...

■ **Anonymous Mailings** – Under the current Calif. law, political mailings must ID the sender's name and address. But a 4th Dist. CA Appeals Court ruled the law unconstitutional. It's a free speech vs. political disclosure issue that will be appealed to the State Supreme Court by the CA FPPC. The original case involved Daniel Grisct of Santa Ana. One fear by some is that if this ruling is upheld, it may result in last minute, anonymous hit mailings by candidates and committees. Others say voters are suspicious of mail that isn't properly IDed...

CALPEEK'S NEW JOBS AND PERSONNEL NOTICES.

Editor's note: Here are some items to mark down in your notebook. We've got lots of these items in our computer bank...

● A sad note: former Berkeley area Demo Congressman Jeffery Cohelan died Feb. 15 at his home in DC. He served 6 terms. He was 84. R.I.P...

● U.S. Sen. Dianne Feinstein(D) has appointed Amy Mall as Deputy State Director and Guillermo Gonzalez as So. Calif. Director. The senator also appointed Chris Norem as a field rep in No. Calif...

● Frank Schubert, a partner in Goddard/Claussen, has been elected to the Bd. of Directors of the Amer. Assn. of Political Consultants(AAPC)...

● Marice White has been promoted to counselor in Nelson Communication Group's campaign division...

● Political analyst Tony Quinn has been appointed to the McPherson-Jones Commission on Political Reform. Quinn is a former member of the FPPC...

● Eloise Anderson, who was director of social services in the Wilson Admin., has joined The Claremont Inst. as director of the new Program for the American Family...

● Calif. SOS Bill Jones has named Caren Daniels-Mead as chief of the SOS's Political Reform Division...

● Mary Shallenberg, a key consultant to Senate Pres. Pro Tem John Burton(D-SF), is the new national chair of Planned Parenthood Federation of America...

● John R. Kabateck has been hired as a Sr. AE by Edelman PR in Sacramento. Kabateck was chief deputy appointments secretary to Gov. Wilson...

● In case you missed it, former CA Treasurer Matt Fong(R) has rejoined his former law firm: Sheppard, Mullin, Richter & Hampton...

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